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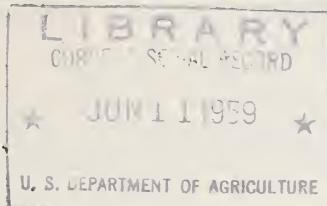
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# FOREIGN AGRICULTURE CIRCULAR

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LIVESTOCK AND MEATS  
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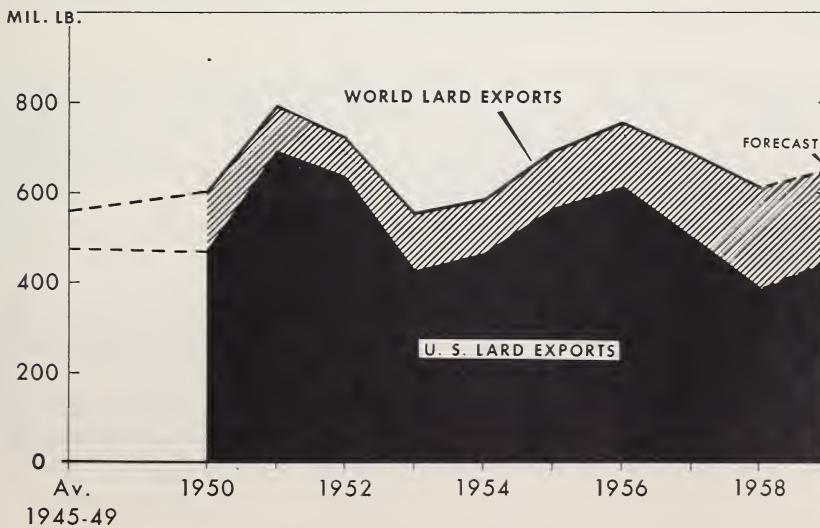
## LARD, TALLOW AND GREASES:

### WORLD REVIEW AND OUTLOOK

#### LARD

Production: The output of lard and unrendered hog fat (in terms of lard) in major producing countries in 1958 was 8.1 billion pounds. This was a slight increase from 1957 and about 1 billion pounds above the 1951-55 annual average. Estimated output is presently at record levels.

#### LARD: U.S. AND WORLD EXPORTS



Western European production continued its upward trend of recent years and reached record high levels. Several countries in Western Europe have encouraged the production of livestock, and the greater feed grain availability was a further production stimulus. Output in the Soviet Union was up 10 percent; in Eastern Europe it was up slightly.

The United States has traditionally been a large producer of lard. In 1958 domestic hog slaughter was at the low point in the hog cycle. Lower hog slaughter and lard yield per hog resulted in slightly less domestic output in 1958. Canada and Brazil increased production while output in other Western Hemisphere countries remained steady.

The unconfirmed reported increase in Communist China's hog numbers would indicate that lard production there has increased substantially. While considered the largest lard-producing country, China apparently consumes all its own lard. Its production data is not included in this analysis.

#### Trade

World: World exports of lard in 1958 were 539 million pounds, a decline of 12 percent from 1957, mostly accounted for by smaller U. S. shipments.

U. S. exports during 1958 totaled 387 million pounds compared with 501 million in 1957 and 611 million in 1956. Nevertheless, U. S. exports accounted for 69 percent of the world lard trade. France, second largest exporter, increased shipments 14 percent. Belgium's exports were down while Dutch and Danish shipments were up.

United States: There was less U. S. lard for export because of reduced production. Consequently, U. S. price remained high during most of the year. This, together with increased competition in foreign markets from competitive fats and oils, decreased demand in traditional markets. Cessation of sales under Public Law 480 during 1958 protracted the export decline.

In 1958, U. S. lard exports to North American markets totaled 207 million pounds, compared with 242 million pounds in 1957. Cuba, the largest market, decreased imports by 11 percent. The decrease was during the latter part of the year, however, and resulted mainly from disruption of Cuban food distribution during that time. Data on exports during the early months of 1959 indicate that the situation has improved.

U. S. shipments to South America dropped again in 1958, reaching a level of 2 million pounds. South American production increased moderately during 1958, and, as in the case with Canada, this enabled some countries to meet their needs. Cessation of sales under Public Law 480 also contributed to the decline in shipments to some of these countries.

Exports to Europe were 175 million pounds, down 14 percent from 1957. Increased European production and consequent greater availability of lard at lower prices gave keen competition to U. S. lard in the important United Kingdom and West German markets.

Exports to the United Kingdom were down slightly, but the U. S. share of the market dropped from 64 percent in 1957 to 56 percent in 1958 as European countries increased their marketings to the United Kingdom.

Total West German lard imports decreased in 1958 as production increased; German U. S. lard imports were down sharply. The cessation of sales under Public Law 480 sharply reduced exports to Yugoslavia.

U. S. exports to Austria dropped again in 1958 as demand there continued to decline. Increased lard production in Eastern Europe countries was evident as exports from some countries in this area to West European markets increased.

#### Lard Trade Outside the U. S.:

The most important lard exporters outside the United States in 1958 were France, Denmark and the Netherlands. Poland apparently continued to increase its exports during 1958.

Lard exports from France increased 14 percent in 1958, as trade with the United Kingdom increased. France has encouraged the export of lard through the so-called export-aid system and subsidies. Shipments from the Netherlands and Denmark increased during 1958, but declined in Belgium.

Exports of lard from Argentina decreased from 32 million pounds in 1957 to 9 million pounds in 1958 as lard output declined. Most shipments were to Peru and Chile.

#### Outlook

Production of lard in major areas in 1959 will increase moderately as U. S. production starts moving back up. Output in Western Europe is expected to decline slightly from present high levels. U. S. production in 1960 is expected to increase moderately from 1959.

With higher domestic output in 1959, U. S. exports are expected to increase substantially. Domestic production during January-March 1959 increased 12 percent. Heavy fall marketings of hogs are also expected. U. S. lard prices in May 1959 were about 3 and one-half cents per pound below a year earlier.

U. S. lard exports zoomed upward during the first 3 months of 1959 to 34 percent above the corresponding period of 1958. U. S. lard is now in stronger demand in Europe, mainly because of a strong competitive price position.

The gain in U. S. exports in 1959 should continue in 1960 because of greater availability of domestic lard. In the long run, however, lard will continue to face extreme competition from vegetable fats and oils. U. S. and world production of vegetable fats and oils is now at a record high.

Although in the long run the export market for U. S. lard is expected to decrease, exports will continue to be very important in providing a market for U. S. lard. Research may bring new uses for lard in food products which bring the highest returns.

Table 1.--Lard and tallow and greases: World exports, United States exports, and United States production, average 1935-39, 1951-55, and annual 1952-58

Lard

Year	Estimated	U.S.	U.S. as per-	U.S.	U.S. exports
	world exports	exports	centage of world exports	production	as percent of production
	Mil. lb.	Mil. lb.	Percent	Mil. lb.	Percent
Ave. 1935-39	360	166	46	1,630	10
" 1951-55	668	555	83	2,618	21
1952....	720	634	88	2,881	22
1953....	552	423	77	2,355	18
1954....	584	465	80	2,330	20
1955....	691	562	81	2,660	21
1956....	755	611	81	2,761	22
1957....	685	501	73	2,560	20
1958....	625	387	62	2,458	16

Tallow and Greases

Ave. 1935-39.	490	21	4	1,098	2
" 1951-55.	1,315	1,024	78	2,897	35
1952....	1,040	785	75	2,834	28
1953....	1,560	1,241	80	2,916	43
1954....	1,510	1,205	80	3,095	39
1955....	1,700	1,337	79	3,198	42
1956....	2,020	1,543	76	3,553	43
1957....	1,950	1,405	72	3,398	41
1958 <u>1/</u>	1,850	1,133	61	3,077	37

1/ Preliminary

Table 2.--LARD (and unrendered pork fat in terms of lard): Estimated production of specified countries, average 1951-55, and annual 1957-58

Continent and country	Average 1951-55	1957 1/	1958 1/
	Million pounds	Million pounds	Million pounds
North America:			
Canada.....	151	144	183
Mexico.....	88	123	123
United States 2/...	2,618	2,560	2,458
South America:			
Argentina.....	39	68	62
Brazil.....	389	431	464
Chile.....	16	21	22
Colombia.....	33	30	30
Europe:			
Austria.....	105	111	113
Belgium-Luxembourg	44	53	49
Denmark 2/.....	46	53	54
France.....	267	341	338
Germany, West.....	462	601	620
Italy.....	281	339	345
Netherlands.....	134	157	153
Portugal.....	86	86	89
Spain.....	150	165	182
Sweden.....	22	21	23
United Kingdom 2/..	13	23	23
East Europe:			
U. S. S. R.:.....	986	1,249	1,286
	1,217	1,376	1,512
Total of above countries 3/			
	7,147	7,952	8,129

1/ Preliminary. 2/ Lard only. 3/ Excludes estimates of production for Communist China and minor producing countries formerly included in this summary.

Table 3.--Lard, Including Rendered Pork Fat: U. S. exports by country of destination, average 1951-55, annual 1956-58

Continent and Country	Average 1951-55	1956	1957 1/	1958 1/
North America:				
Canada.....	1,000	1,000	1,000	1,000
Mexico.....	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Panama Canal Zone.....	6,497	17,726	26,611	5,108
Costa Rica.....	31,823	14,786	11,782	14,565
El Salvador.....	967	941	373	152
Guatemala.....	7,363	5,693	2,022	1,751
Panama.....	4,299	3,613	3,082	3,190
Cuba.....	8,648	7,932	4,853	3,476
Dominican Republic....	6,560	4,424	4,893	7,177
Haiti.....	157,427	163,078	178,791	162,994
Netherlands Antilles..	2/ 352	19	22	47
Other.....	6,725	6,322	6,982	7,246
Total.....	1,066	441	220	295
	1,518	2,210	2,360	1,375
	<b>233,265</b>	<b>227,185</b>	<b>241,991</b>	<b>207,376</b>
South America:				
Bolivia.....	3,755	7,159	4,681	696
Brazil.....	2,088	10,417	6,000	---
Colombia.....	3,359	1,007	936	---
Ecuador.....	5,494	4	4	---
Peru.....	12,521	6,673	2,770	585
Venezuela.....	3,640	604	991	402
Other.....	134	1,763	38	268
Total.....	<b>30,991</b>	<b>27,627</b>	<b>15,420</b>	<b>1,951</b>
Europe:				
Austria.....	23,579	26,807	7,514	1,100
Belgium-Luxembourg....	1,005	711	348	42
France.....	1,104	---	---	140
Germany, West.....	55,978	70,210	17,779	10,928
Greece.....	2/14	24	10	2
Italy.....	593	162	2	3
Netherlands.....	33,114	4,303	9	---
Switzerland.....	1,725	386	73	---
United Kingdom.....	124,685	161,591	149,529	146,451
Yugoslavia.....	38,431	88,496	62,392	15,479
Other.....	4,825	478	318	825
Total.....	<b>285,053</b>	<b>353,168</b>	<b>237,974</b>	<b>174,970</b>
Africa.....	100	43	110	---
Asia.....	5,197	3,371	5,767	2,245
Oceania.....	30	---	---	---
World total.....	<b>554,616</b>	<b>611,394</b>	<b>501,262</b>	<b>386,542</b>

1/ Preliminary. 2/ Less than a 5-year average.

Table 4.--LARD: Exports from specified countries  
average 1951-55 and annual 1957-58

Continent and country	Average		1957 1/	1958 1/
	1951-55	Million pounds		
	Million pounds	Million pounds		
<b>North America:</b>				
Canada.....	4		2/	2/
United States.....	555		501	387
<b>South America:</b>				
Argentina.....	14		32	9
Brazil.....	3/		3/	3/
<b>Europe:</b>				
Belgium-Luxembourg.....	26		39	25
Denmark.....	29		33	34
France.....	13		58	66
Italy.....	4		3/	3/
Netherlands.....	4/ 15		4/ 19	4/ 30
Sweden.....	2		6	7
Yugoslavia.....	3		3	3/
Total for above countries.	665		691	558

1/ Preliminary. 2/ Less than 500,000 pounds. 3/ Not available.

4/ Excludes re-exports.

Table 5.--LARD: Imports into specified countries,  
average 1951-55 and annual 1957-58

Continent and country	Average 1951-55	1957 1/	1958 1/
	Million pounds	Million pounds	Million pounds
North America:			
Canada.....	6	28	6
Mexico.....	24	2/ 12	2/ 15
Costa Rica.....	11	10	2/ 2
Guatemala.....	10	11	2/ 3
Cuba.....	167	179	180
Dominican Republic.....	1	2/ 3/	2/ 3/
Haiti.....	7	2/ 7	2/ 7
Panama, Republic of.....	7	2/ 5	2/ 7
South America:			
Bolivia.....	8	2/ 5	2/ 1
Brazil.....	14	2/ 6	2/ 4/
Colombia.....	6	2/ 1	2/ 3/
Ecuador.....	8	2/ 3/	---
Peru.....	19	25	35
Venezuela.....	5	2/ 1	2/ 3/
Europe:			
Austria.....	42	23	11
Belgium-Luxembourg.....	18	25	20
France.....	1	--	3/
Germany, West.....	92	65	53
Italy.....	3	4	2/ 3
Netherlands.....	7	3/	1
Switzerland.....	4	2/ 3/	2/ 3/
United Kingdom.....	134	244	256
Yugoslavia.....	79	57	58
Asia:			
Japan.....	3	14	15
Malaya, Federation of.....	3	2	2

1/ Preliminary. 2/ U. S. exports. 3/ Less than 500,000 pounds.

4/ Not available.

## TALLOW AND GREASES

Production: Tallow and grease production in major producing countries in 1958 was 6.1 billion pounds, slightly below the 6.3 billion pounds produced in 1957. Most of this decrease was in the United States. As a result of the decline in both hog and cattle slaughter, U. S. domestic tallow and grease production dropped to 3.1 billion pounds in 1958 compared to 3.4 billion pounds in 1957. The United States still produces over one-half of the world's tallow.

European production of tallow and grease continues to rise and output is considerably higher than prewar. The United Kingdom, largest producer in this area, increased production. Production in France rose because of heavier slaughter carcasses. The Soviet Union apparently continued to increase production.

Tallow output in Argentina declined sharply as cattle slaughter fell. Production in Brazil rose but there was little change in Colombia and Uruguay.

Australia, third largest producer, increased output 11 percent as cattle slaughter rose. Production in New Zealand increased 5 percent.

There is little information on tallow output in Asia. In many Asian countries production of tallow in relation to cattle numbers is very small.

Production of tallow and grease in major areas is expected to increase slightly in 1959. Output in the United States will increase as hog slaughter rises. It will decrease in Argentina but increase in Australia.

### Trade

World: Exports of tallow and grease in 1958 were 1.62 billion pounds, down 14 percent from 1.87 billion pounds in 1957. As was the case with lard, decreased U. S. shipments caused most of the decline.

U. S. exports dropped 20 percent and accounted for 70 percent of world trade, compared with 75 percent in 1957. Exports from Australia, another important exporter, decreased slightly.

Total Canadian tallow exports were lower in 1958 although shipments to the Union of South Africa increased. Argentine tallow exports declined sharply as cattle slaughter dropped. France increased its exports, mostly to European markets. West Germany's larger exports went mainly to Egypt and the Netherlands.

U. S. Exports: Exports of U. S. tallow and greases in 1958 were 1,119 million pounds compared to 1,391 million in 1957. Nevertheless, they continued to be the largest export dollar earner for the U. S. live-stock industry. The principal reasons for the decline were higher U. S. prices and cessation of sales under Public Law 480. Italy, Japan and the Netherlands continued as the principal purchasers of U. S. tallow and greases. Shipments to these countries accounted for over 50 percent of the U. S. tallow trade in 1958.

Exports to Europe, the major U. S. tallow market, dropped 32 percent as the use of tallow and greases in soap making declined. Shipments to Italy, the largest single market, increased 9 percent, but the Netherlands, Poland and West Germany took considerably less in 1958. Most of the drop in exports to Poland resulted from the termination of Public Law 480 sales.

Shipments to Japan, the second largest market, declined slightly, but were well above the 1951-55 average. Australia continues to compete with the United States in this market. Exports to North American countries increased slightly as Mexico's takings rose. Shipments to South American countries were down slightly.

Exports to the Union of South Africa were down in 1958, and are considerably below the 1951-55 average. Egypt took more U. S. tallow.

Trade Outside U. S.: New Zealand was the second largest exporter of tallow during 1958. It sent large shipments to Japan, the United Kingdom, and the Union of South Africa. New Zealand, like Australia, has been particularly interested in the Japanese market. Japan has placed both of these countries on the automatic approval list for tallow, and New Zealand increased exports to this growing market during 1958. Australia increased its shipments to the Union of South Africa.

There has been a definite switch in the Canadian tallow export market in 1958. Shipments to the United Kingdom were down sharply. The Union of South Africa replaced the United Kingdom as the largest market for Canadian tallow and imports from Canada rose sharply. Canadian prices have been lower than U. S. prices.

#### Outlook

Tallow and grease production will increase slightly in 1959, mainly because of increased hog slaughter. The long-run prospects are for a further increase in cattle slaughter in the United States, together with large hog slaughter, at least through early 1960.

U. S. exports are expected to increase moderately this year. There is a strong possibility of increased shipments to Western Europe, in particular, as the overall fats and oils supply there appears to be smaller than usual.

Use of tallow and greases in domestic production of animal feed has increased. So have industrial uses of tallow. While these developments have significantly aided the industry, they have not made up for the loss in demand for tallow resulting from greater world-wide use of detergents. The United States will continue to be hard pressed to find outlets for its production.

Coordinated studies of new market potentialities in foreign countries have benefited the U. S. industry. The active domestic research program now in operation should materially help to solve the continued tallow and grease surplus problem.

Domestic tallow prices have been running slightly lower than early in 1958. During the first 3 months of 1959, exports were 11 percent greater than a year earlier. Italy and Japan, the largest markets, increased their imports from the United States during this period.

Table 6.--TALLOW AND GREASES 1/: Estimated production of specified countries, average 1951-55, and annual 1957-58

Continent and country	Average 1951-55	1957 2/	1958 2/
	Million pounds	Million pounds	Million pounds
North America:			
Canada .....	126	190	196
Mexico .....	64	58	64
United States .....	2,897	3,398	3,077
South America:			
Argentina .....	374	408	316
Brazil .....	98	121	128
Chile .....	28	32	34
Colombia .....	71	88	88
Uruguay .....	88	45	46
Europe:			
Belgium-Luxembourg ...	31	35	40
Denmark .....	43	55	54
France .....	190	221	265
Germany, West .....	83	100	102
Italy .....	51	66	69
Netherlands .....	50	60	62
Sweden .....	18	20	24
United Kingdom .....	163	256	314
U.S.S.R. ....	340	419	443
Africa:			
Egypt .....	45	44	43
Un. of So. Africa ...	27	52	60
Asia:			
Iran .....	39	50	51
Turkey .....	47	50	50
Japan .....	11	11	12
Pakistan .....	56	55	55
Oceania:			
Australia .....	243	332	369
New Zealand .....	103	129	135
Total for above countries 3/.....	5,286	6,295	6,097

1/ Includes edible and inedible tallow and greases. 2/ Preliminary.

3/ Excludes estimates for Eastern Europe and a few minor producing countries formerly included in this summary.

Table 7.--Inedible Tallow and Greases 1/: U. S. exports, by country of destination, average 1951-55 and annual 1956-58

Continent and country	Average 1951-55	1956	1957	1958 2/ 1,000 pounds
North America:				
Canada.....	23,782	26,604	20,400	21,770
Mexico.....	43,659	58,906	40,147	49,771
El Salvador.....	3,842	3,947	2,103	1,017
Guatemala.....	3,693	5,075	5,856	8,659
Cuba.....	30,356	39,176	27,624	33,529
Dominican Republic.....	3,709	3,843	3,928	4,176
Other.....	6,623	6,418	7,516	7,919
Total.....	115,664	143,969	107,574	126,841
South America:				
Chile.....	6,097	4,931	157	236
Colombia.....	15,140	12,274	18,069	17,928
Ecuador.....	6,124	9,940	10,332	9,446
Peru.....	9,769	10,907	8,876	6,879
Other.....	4,574	8,354	7,527	7,234
Total.....	41,704	46,406	44,961	41,723
Europe:				
Austria.....	6,897	7,670	4,427	3,246
Belgium-Luxembourg.....	61,071	71,656	31,977	24,281
France.....	10,913	4,533	9,024	142
Germany, West.....	87,515	141,393	71,572	32,988
Ireland.....	6,126	5,925	865	79
Italy.....	137,080	271,919	239,916	260,914
Netherlands.....	139,534	238,625	232,856	139,623
Norway.....	3,346	3,779	1,176	1,006
Spain.....	3/1,741	31,553	35,423	1,392
Switzerland.....	33,485	28,900	15,863	7,586
United Kingdom.....	10,973	17,924	7,099	5,180
Poland.....	4/5,694	16,017	68,674	34,597
Yugoslavia.....	19,053	24,117	26,732	31,828
Other.....	8,838	23,185	5/60,255	7,653
Total.....	532,266	887,196	805,859	550,515
Africa:				
Egypt.....	34,408	49,499	66,977	71,010
Rhodesia-Nyasaland.....	4,740	8,211	2,218	52
Union of South Africa...	52,211	67,155	40,590	28,208
Other.....	4,593	7,726	5,198	13,374
Total.....	95,952	132,591	114,983	112,644
Asia:				
China, Taiwan.....	15,434	27,297	22,239	19,408
Japan.....	161,025	211,152	223,096	216,858
Korea.....	9,283	18,007	15,046	16,589
Philippines.....	11,104	13,906	14,127	12,555
Other.....	12,942	21,151	6/43,886	22,311
Total.....	209,788	291,513	318,394	287,721
Total World.....	1/995,376	1,501,675	1,391,771	1,119,444

1/ Includes: Inedible tallow, animal greases and fats, animal oils, n.e.s., neatsfoot oil and stocks, oleic acid or red oil, and stearic acid.

2/ Preliminary. 3/ 1955 only. 4/ Less than a 5-year average. 5/ Includes 25.1 million pounds to U.S.S.R. 6/ Includes 34.9 million pounds to Turkey. 7/ Includes 2,000 pounds to Australia.

Table 8.--TALLOW AND GREASES 1/: Exports from specified countries,  
average 1951-55 and annual 1957-58

Continent and country	Average 1951-55 : Million pounds	1957 2/ : Million pounds	1958 2/ : Million pounds
North America:			
Canada .....	23	61	55
United States .....	1,024	1,405	1,133
South America:			
Argentina .....	7	44	12
Brazil .....	3/	3/	3/
Uruguay .....	4/ 4	1	3/
Europe:			
Belgium-Luxembourg .....	31	38	38
Denmark .....	11	21	23
France .....	7	16	34
Germany, West .....	7	19	46
Netherlands .....	11	8	12
Sweden .....	3	16	24
Switzerland .....	3	3/	3/
Oceania:			
Australia .....	67	126	113
New Zealand .....	94	114	126
Total for above countries ...	1,292	1,869	1,616

1/ Includes edible and inedible tallow and greases.

2/ Preliminary.

3/ Not available.

4/ Less than a 5 year average.

Table 9---TALLOW AND GREASES 1/: Imports into specified countries,  
average 1951-55 and annual 1957-58

Continent and country	Average 1951-55	1957 2/	1958 2/
	Million pounds	Million pounds	Million pounds
North America:			
Canada.....	24	20	20
Mexico.....	49	41	46
United States.....	3	4	2
Guatemala.....	6	8	3/ 9
Cuba.....	32	31	37
Dominican Republic.....	4	4	3/ 4
South America:			
Chile.....	8	11	11
Colombia.....	14	3/ 18	3/ 18
Ecuador.....	6	3/ 10	3/ 9
Peru.....	11	13	3/ 7
Venezuela.....	3	3/ 7	3/ 7
Europe:			
Austria.....	13	7	3
Belgium-Luxembourg.....	35	41	34
Denmark.....	4	1	1
Finland.....	6	4	3/ 4/
France.....	19	9	--
Germany, West.....	124	145	92
Ireland.....	13	5	3
Italy.....	158	251	3/261
Netherlands.....	110	212	192
Norway.....	4	3	3/ 1
Spain.....	11	53	3/ 1
Sweden.....	5	17	5
Switzerland.....	22	22	20
United Kingdom.....	105	148	112
Yugoslavia.....	25	3/ 27	3/ 32
Other:			
Ceylon.....	2	5	5/
China, Taiwan.....	3/ 15	3/ 22	3/ 19
Egypt.....	39	89	92
India.....	14	10	7
Japan.....	180	274	254
Malaya, Federation of.....	6	15	9
Philippines, Rep. of.....	3/ 11	3/ 14	3/ 13
Turkey.....	4/	3/ 44	3/ 4/
Rhodesia and Nyasaland.....	--	3/ 2	3/ 41
Union of South Africa.....	61	74	89

1/ Includes edible and inedible tallow and greases. 2/ Preliminary.

3/ U. S. exports. 4/ Less than 500,000 pounds. 5/ Not available

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